HOWARD UNIVERSITY MIDDLE SCHOOL OF MATHEMATICS AND SCIENCE PCS $_{\mbox{\tiny DC}}$

FY2018 Financial Analysis Report

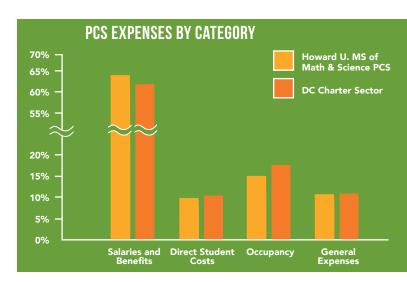
PUBLICCHARTERSCHOOLOpened:BOARD2005 - 2006

Audited Enrollment:

278

		KEY FINANCIAL INDICATORS				
			0.39	% 3.3%	6 5.5%	
Change in Net Assets Margin:				▼		
= (Total Operating Revenue-Total Operating Expenses) / Total Operating Revenue	-00	-5.0% 	0.0% 	2.8% 2.8% 3.6%		+∞
Aggregated Three-Year Margin:						
= Change in Net Assets for 3-Year Period	-00	-1.5%	0.0%			+∞
÷ Operating Revenues for Same Period		-5.4%	-0.2% 0.0%	5		
Enrollment Variance:		▼				
= (Audited Enrollment - Budgeted Enrollment) ÷ Budgeted Enrollment	-00	-5.0%	0%			+∞
		r T			3.72	5.27 5.56
Current Ratio: = Current Assets ÷ Current Liabilities		0.90	1.00			+∞
		-2.6%		2.9%	8.2%	
Cash Flow from Operations Margin:					•	
= Cash Flows from Operations ÷ Operating Revenues		-2.0% 	0.0%			+∞
Days of Cash on Hand:				83.2 9	1.2 91.4	
= Unrestricted Cash /(Operating Expenses-Depreciation)/365		15 Days	45 Day	/5	0.19 (+∞ 17
Debt Ratio:						
= Total Liabilities ÷ Total Assets		0.90 	0.50 			+∞
Debt Service Coverage Ratio:						
= EBITDA / (Scheduled Payments – Balloon Payment* + Interest Paid)		1.00 	1.20	27.1%	36.8%	+∞
Primary Reserve Ratio:				V	•	
= (Unrestricted Net Assets + Temporarily Restricted Net Assets - Intangible Assets) ÷ Total Expenses		0.0%	25.0%)		+∞
Unresolved Prior Year Findings:	0	Debt Compliance Issue - Financial: No	Debt Con	npliance Issu	e - Report	ing: No
* Balloon Payment Amount:	0	● = 2018 Sector Median ▼ = 2018 School Results	s 📃 = 2017 S	chool Results		

Comments from the School



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FINANCIAL POSITION

	2018	2017
Total Assets	\$2,441,301	\$2,058,926
Current Assets	\$2,404,875	\$1,938,465
Total Liabilities	\$456,166	\$348,598
Current Liabilities	\$456,166	\$348,598
Net Asset Position	\$1,985,135	\$1,710,328

AUDIT FINDINGS

	2018	2017
Qualified/Modified/Adverse Opinion on the Financial Statements	Νο	Νο
Material Weakness in Internal Control over Financial Reporting (GAS)	Νο	No
Non-compliance Material to the Financial Statements (GAS)	Νο	Νο
Modified Opinion on Major Federal Award Programs (Uniform Guidance)	Νο	Νο
Material Weaknesses in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)	Νο	Νο
Findings and Questioned Costs	0	0
Going-Concern Issue	Νο	Νο

FINANCIAL ACTIVITIES

	2018	2017
Revenues and Support	\$7,586,717	\$7,176,885
Expenses	\$7,336,910	\$7,154,303
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$249,807	\$22,582

REVENUES/EXPENSES PER STUDENT

	2018	2017	2018 Sector Median
DC Funding per Student	\$17,608	\$16,058	\$19,243
Grants and Contributions Per Student	\$7,635	\$7,704	\$492
Total Revenues per Student	\$27,290	\$25,816	\$22,382
Expenses per Student	\$26,392	\$25,735	\$21,375

PCSB OBSERVATIONS

Overall, the school's financial condition was healthy, specifically regarding a number of key metrics: 91 days of cash on hand; a current ratio of 5.27, well above DC PCSB's expectation of 0.9 - 1.0; and a debt ratio of 0.19, exceeding DC PCSB's expectation of 0.9 to 0.5. The school's cash flow from operations margin, which measures whether operations are generating or using cash, increased to 2.86% in FY 2018 from (2.6%) in FY 2017 because of increased change in net assets margin from FY 2017. The school's primary reserve ratio increased to 27.1% in FY 2018.

The school's campus is a donated facility on the Howard University campus, and therefore the school rents it at no cost. In August 2007, the lease was renegotiated to automatically renew annually for the next 10 years. In-kind contribution and rental expense for the year ended June 30, 2018, totaled over \$1M based on the estimated fair value of the lease and is included in philanthropic revenue.